

# **Quarterly Securities Report**

Third Quarter of FY2017

(From October 1, 2017 To December 31, 2017)

( The English translation of the Quarterly Securities Report “Shihanki-Houkokusho” )

**Nissan Motor Co., Ltd.**

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<b>【Document Submitted】</b>	Quarterly Securities Report (“Shihanki-Houkokusho”)
<b>【Article of the Applicable Law Requiring Submission of This Document】</b>	Article 24-4-7, Paragraph 1 of the Financial Instruments and Exchange Law
<b>【Filed to】</b>	Director, Kanto Local Finance Bureau
<b>【Date of Submission】</b>	February 13, 2018
<b>【Accounting Period】</b>	Third Quarter of the 119th Fiscal Year (From October 1, 2017 To December 31, 2017)
<b>【Company Name】</b>	Nissan Jidosha Kabushiki-Kaisha
<b>【Company Name (in English)】</b>	Nissan Motor Co., Ltd.
<b>【Position and Name of Representative】</b>	Hiroto Saikawa, President
<b>【Location of Head Office】</b>	2, Takaracho, Kanagawa-ku, Yokohama-shi, Kanagawa
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<b>【Place Where Available for Public Inspection】</b>	Tokyo Stock Exchange, Inc. 2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo

## Part I Information on the Company

### 1. Overview of the Company

#### 1. Key financial data and trends

Fiscal year		118th Nine months ended December 31, 2016	119th Nine months ended December 31, 2017	118th
Accounting period		(From April 1, 2016 To December 31, 2016)	(From April 1, 2017 To December 31, 2017)	(From April 1, 2016 To March 31, 2017)
Net sales (Current Third Quarter)	Millions of yen	8,264,767 (2,943,730)	8,527,992 (2,875,483)	11,720,041
Ordinary income	Millions of yen	590,171	496,653	864,733
Net income attributable to owners of parent (Current Third Quarter)	Millions of yen	414,170 (131,738)	578,135 (301,626)	663,499
Comprehensive income	Millions of yen	219,355	664,590	615,950
Net assets	Millions of yen	4,904,598	5,601,583	5,167,136
Total assets	Millions of yen	18,343,123	19,565,396	18,421,008
Basic earnings per share (Current Third Quarter)	Yen	102.92 (33.50)	147.81 (77.12)	165.94
Diluted earnings per share	Yen	102.91	147.80	165.94
Net assets as a percentage of total assets	%	24.4	27.1	26.4
Cash flows from operating activities	Millions of yen	724,333	244,099	1,335,473
Cash flows from investing activities	Millions of yen	(1,139,234)	(956,832)	(1,377,626)
Cash flows from financing activities	Millions of yen	385,205	705,972	320,610
Cash and cash equivalents at end of the period	Millions of yen	912,448	1,255,066	1,241,124

Notes: 1. Non-consolidated financial data is not presented as Nissan Motor Co., Ltd. (the “Company”) prepares quarterly consolidated financial statements.

2. Net sales are presented exclusive of consumption tax.

#### 2. Description of business

There have been no significant changes in the business in which the Company and its subsidiaries and affiliates (collectively, the “Group”) operate during the nine months ended December 31, 2017. No changes were made to major subsidiaries and affiliates.

## 2. Business Overview

### 1. Business and other risks

During the nine months ended December 31, 2017, there were no unusual fluctuations with regard to financial position, operating results and cash flows or important changes in the “Business and other risks,” which are described in the securities report of the prior fiscal year, excluding items noted in Additional information of [Notes to Quarterly Consolidated Financial Statements].

### 2. Important business contracts

No important business contracts were determined or entered into during the current third quarter.

### 3. Analysis of financial position, operating results and cash flows

Any future forecasts included in the following descriptions are based on the best estimates or judgment of the Group as of December 31, 2017, the end of the current third quarter.

#### (1) Operating results

For the nine months ended December 31, 2017, the Group’s net sales amounted to ¥8,528.0 billion, an increase of ¥263.2 billion (3.2%) from the corresponding period of the last year (the “last year”). Operating income decreased by ¥139.0 billion (27.6%) to ¥364.2 billion on a consolidated basis.

Net non-operating income of ¥132.5 billion was recorded for the nine months ended December 31, 2017, increased by ¥45.5 billion from the last year. This result was primarily attributable to an increase in equity in earnings of affiliates and a decrease in foreign exchange loss. As a result, ordinary income decreased by ¥93.5 billion (15.8%) from the last year to ¥496.7 billion. Net special losses of ¥8.3 billion were recorded, deteriorating by ¥9.5 billion from the last year. Income before income taxes decreased by ¥103.0 billion (17.4%) to ¥488.4 billion compared with the last year. Finally, net income attributable to owners of parent of ¥578.1 billion was recorded for the nine months ended December 31, 2017, an increase of ¥163.9 billion (39.6%) from the last year attributable to a decrease in income tax expenses from the Tax Cuts and Jobs Act enacted in the U.S.

The operating results by reportable segments are summarized as follows:

#### ① Automobiles

Net sales in the automobile segment (including inter-segment sales) for the nine months ended December 31, 2017 increased by ¥175.3 billion (2.3%) from the last year to ¥7,832.7 billion. Operating income decreased by ¥158.0 billion (46.9%) to ¥178.6 billion from the last year. Major profit-decreasing factors were an increase in sales and marketing expenses and an additional losses related to the vehicle inspection issue in Japan.

#### ② Sales Finance

Net sales in the sales finance segment (including inter-segment sales) for the nine months ended December 31, 2017 increased by ¥143.7 billion (20.1%) to ¥858.2 billion. Operating income increased by ¥21.2 billion (14.6%) from the last year to ¥165.7 billion.

Operating results by geographic segment are summarized as follows:

#### a. Japan

- Net sales (including inter-segment sales) for the nine months ended December 31, 2017 increased by ¥102.1 billion (3.1%) from the last year to ¥3,434.6 billion.
- Operating income decreased by ¥67.7 billion (22.6%) from the last year to ¥231.0 billion.  
A major profit-decreasing factor was an additional losses related to the vehicle inspection issue despite a profit increase attribute to the favorable effects of foreign exchange rate movements.

#### b. North America

- Net sales (including inter-segment sales) for the nine months ended December 31, 2017 increased by ¥138.2 billion (3.0%) from the last year to ¥4,679.3 billion.
- Operating income decreased by ¥70.1 billion (41.3%) from the last year to ¥99.6 billion.  
A major profit-decreasing factor was an increase in sales and marketing expenses.

#### c. Europe

- Net sales (including inter-segment sales) for the nine months ended December 31, 2017 increased by ¥118.3 billion (8.8%) from the last year to ¥1,462.0 billion.
- Operating loss of ¥3.3 billion was recorded, deteriorating by ¥4.6 billion from the last year.  
A major deteriorating factor was an increase in sales and marketing expenses.

- d. Asia
  - Net sales (including inter-segment sales) for the nine months ended December 31, 2017 decreased by ¥20.1 billion (1.7%) from the last year to ¥1,147.4 billion.
  - Operating income decreased by ¥10.6 billion (20.0%) from the last year to ¥42.7 billion.
- e. Other overseas countries
  - Net sales (including inter-segment sales) for the nine months ended December 31, 2017 decreased by ¥34.0 billion (4.6%) from the last year to ¥698.1 billion.
  - Operating loss of ¥11.1 billion was recorded, deteriorating by ¥11.8 billion from the last year.

## (2) Cash flows

Cash and cash equivalents at December 31, 2017 increased by ¥14.0 billion (1.1%) from the end of the prior fiscal year to ¥1,255.1 billion. This reflected ¥244.1 billion in net cash provided by operating activities, ¥956.8 billion in net cash used in investing activities and ¥706.0 billion in net cash provided by financing activities, as well as an increase of ¥20.7 billion in the effects of exchange rate changes on cash and cash equivalents.

(Cash flows from operating activities)

Net cash provided by operating activities decreased by ¥480.2 billion to ¥244.1 billion for the nine months ended December 31, 2017 from ¥724.3 billion provided in the last year. This mainly reflected an increase in income taxes paid and the turn from an increase in the last year to a decrease in the current period in trade notes and accounts payable.

(Cash flows from investing activities)

Net cash used in investing activities decreased by ¥182.4 billion to ¥956.8 billion for the nine months ended December 31, 2017 from ¥1,139.2 billion used in the last year. This was mainly attributable to an increase in proceeds from sales of leased vehicles and a decrease in purchase of investment securities despite an increase in purchase of leased vehicles.

(Cash flows from financing activities)

Net cash provided by financing activities increased by ¥320.8 billion to ¥706.0 billion for the nine months ended December 31, 2017 from ¥385.2 billion provided in the last year. This was mainly attributable to a larger net increase in short-term borrowings, an increase in proceeds from issuance of bonds and a decrease in purchase of treasury stock despite a decrease in proceeds from long-term borrowings.

## (3) Management policy and business strategies

Guided by the vision of Enriching people's lives, the Group aims to provide unique and innovative products and services that deliver superior measurable values to all stakeholders under the Alliance.

The Group announced on November 8, 2017, the overall framework of the new Mid-term plan "Nissan M.O.V.E. to 2022" designed to guide the company toward profitable growth over the next six years, and to prepare for further growth beyond the plan as the evolution continues. The new plan expresses that the Group will keep on moving and evolving toward the future, and it stands for the following drivers:

- Mobility
- Operational Excellence
- Value to Customers
- Electrification

The mission under "Nissan M.O.V.E. to 2022" is to be built on the strong business foundations of "Nissan Power 88", and leverage the benefits of our Alliance with Renault and Mitsubishi Motors, in order to;

1. Achieve sustainable growth, while delivering healthy profitability and strong free cash flow
2. Lead the technology and business evolution in the automotive industry, backed by our technology DNA

The Group will fulfill its mission by engaging in "Nissan M.O.V.E. to 2022" with in mind of the technology evolution coming in the next 10 to 15 years, as well as the significant changes in the market and evolving customer expectations.

(4) Operating and financial issues to be addressed

Operating and financial issues to be addressed by the Group occurring during the nine months ended December 31, 2017 are as follows.

The Group submitted a detailed report to Ministry of Land, Infrastructure, Transport and Tourism (MLIT) on November 17, 2017, as a result of the investigation, on countermeasures to prevent recurrence of the issues discovered in the final inspection process for vehicles produced for the Japan market at the six vehicle production plants in Japan, identified during the on-site inspection performed by MLIT in September 2017.

The Group is committed to putting safety first, promoting compliance, carrying out the countermeasures thoroughly and making a concerted effort to regain the trust of customers and stakeholders.

(5) Research-and-development activities

The Group has been active in conducting research-and-development activities in the environment, safety and various other fields toward the realization of a sustainable, motorized society in the future. The research-and-development costs of the Group amounted to ¥354.6 billion for the nine months ended December 31, 2017.

(6) Factors that may affect operating results

The Group's worldwide automobile sales (on a retail basis) for the nine months ended December 31, 2017 increased by 2.9% from the last year to 4,109 thousand units.

The overall demand for vehicles increased by 4.5% in the domestic market, and the number of vehicles sold in Japan increased by 9.7%, resulting in 378 thousand units, accounting for a market share of 10.3%, an increase of 0.5 percentage points from the last year.

The overall demand for vehicles in China increased by 2.6%, and the number of vehicles sold in China increased by 9.8%, resulting in 1,020 thousand units, accounting for a market share of 5.3%.

The overall demand for vehicles in the United States of America decreased by 1.9%, and the number of vehicles sold in the United States of America increased by 1.1% to 1,177 thousand units, accounting for a market share of 8.9%. Meanwhile, the number of vehicles sold in North America, including Mexico and Canada, decreased by 1.4% to 1,561 thousand units.

The overall demand for vehicles in Europe increased by 2.9%, and the number of vehicles sold in Europe excluding Russia decreased by 2.2% to 464 thousand units, accounting for a market share of 3.5%. The number of vehicles sold in Russia increased by 17.8% to 80 thousand units.

The number of vehicles sold in other countries including Asia, Oceania, Africa, Central and South America excluding Mexico, and Middle East increased by 2.0% to 607 thousand units.

(7) Analysis of sources of capital and liquidity

Cash and cash equivalents at December 31, 2017 increased by ¥14.0 billion (1.1%) from the end of the prior fiscal year to ¥1,255.1 billion. This reflected ¥244.1 billion in net cash provided by operating activities, ¥956.8 billion in net cash used in investing activities and ¥706.0 billion in net cash provided by financing activities, as well as an increase of ¥20.7 billion in the effects of exchange rate changes on cash and cash equivalents.

It is necessary to pay careful attention to the liquidity of funds in view of the drastic environmental changes in the financial markets and other relevant concerns. However, as the Group has entered into loan commitment agreements with major international banks in addition to the cash and cash equivalents held, the Group believes that a level of liquidity is sufficient to meet the Group's funding requirements.

## (8) Production and sales

## Actual production

Location of manufacturers	Number of vehicles produced (units)		Change (units)	Change (%)
	Nine months ended December 31, 2016	Nine months ended December 31, 2017		
Japan	727,616	732,555	4,939	0.7
The United States of America	737,698	677,346	(60,352)	(8.2)
Mexico	636,009	601,356	(34,653)	(5.4)
The United Kingdom	380,129	357,220	(22,909)	(6.0)
Spain	94,185	72,293	(21,892)	(23.2)
Russia	29,534	35,906	6,372	21.6
Thailand	83,550	99,349	15,799	18.9
Indonesia	22,018	12,173	(9,845)	(44.7)
Philippines	2,519	4,783	2,264	89.9
India	236,903	179,528	(57,375)	(24.2)
South Africa	23,479	25,980	2,501	10.7
Brazil	37,454	67,934	30,480	81.4
Egypt	12,913	11,755	(1,158)	(9.0)
Total	3,024,007	2,878,178	(145,829)	(4.8)

Note: The figures represent the production figures for the 9-month period from April 1 to December 31, 2017.

## Actual sales

Sales to	Number of vehicles sold (on a consolidated basis: units)		Change (units)	Change (%)
	Nine months ended December 31, 2016	Nine months ended December 31, 2017		
Japan	334,419	368,281	33,862	10.1
North America	1,588,640	1,498,342	(90,298)	(5.7)
(The United States of America included therein)	1,165,423	1,100,588	(64,835)	(5.6)
Europe	546,609	547,691	1,082	0.2
Asia	295,087	288,791	(6,296)	(2.1)
Other overseas countries	373,901	373,960	59	0.0
Total	3,138,656	3,077,065	(61,591)	(2.0)

Note: The figures in China and Taiwan, which are included in "Asia" represent the sales figures for the 9-month period from January 1 to September 30, 2017. Those sold in Japan, North America, Europe, Other overseas countries and Asia (excluding China and Taiwan) represent vehicles sold for the 9-month period from April 1 to December 31, 2017.



### 3. Corporate Information

#### 1. Information on the Company's shares

##### (1) Number of shares and other

###### ① Number of shares

Type	Number of shares authorized to be issued
Common stock	6,000,000,000
Total	6,000,000,000

###### ② Number of shares issued

Type	Number of shares issued		Stock exchanges on which the Company is listed	Description
	As of December 31, 2017	As of February 13, 2018 (filing date of this quarterly securities report)		
Common stock	4,220,715,112	4,220,715,112	First Section of the Tokyo Stock Exchange	The number of shares constituting a standard unit is 100
Total	4,220,715,112	4,220,715,112	—	—

Note: The number of shares issued as of the filing date of this quarterly securities report does not include those issued upon the exercise of the share subscription rights during the period from February 1, 2018, through the filing date of this quarterly securities report.

##### (2) Status of the share subscription rights

There were no issued items during the current third quarter.

##### (3) Exercise status of bonds with share subscription rights containing a clause for exercise price adjustment

Not applicable

##### (4) Right plans

Not applicable

##### (5) Changes in the number of shares issued and the amount of common stock and other

Period	Changes in the number of shares issued (Thousands)	Balance of the number of shares issued (Thousands)	Changes in common stock (Millions of yen)	Balance of common stock (Millions of yen)	Changes in legal capital surplus (Millions of yen)	Balance of legal capital surplus (Millions of yen)
From October 1, 2017 To December 31, 2017	—	4,220,715	—	605,813	—	804,470

##### (6) Principal shareholders

There is nothing to mention as this quarter is the third quarterly accounting period.

(7) Status of voting rights

The “Status of voting rights” as of the end of the current third quarter is presented as of September 30, 2017, the most recent record date, because the number of beneficiary shareholders as of December 31, 2017 could not be ascertained.

① Shares issued

(As of September 30, 2017)

Classification	Number of shares (Shares)	Number of voting rights (Units)	Description
Shares with full voting rights (Treasury stock, etc.)	(Treasury stock) Common stock 29,551,000	—	—
	(Crossholding stock) Common stock 237,600	—	—
Shares with full voting rights (Others)	Common stock 4,190,376,100	41,903,761	—
Stocks of less than a standard unit	Common stock 550,412	—	—
Total shares issued	4,220,715,112	—	—
Total voting rights held by all shareholders	—	41,903,761	—

Note: “Stocks of less than a standard unit” include 50 shares of treasury stock and 30 crossholding shares.

Crossholding stocks of less than a standard unit (As of September 30, 2017)

Shareholder	Number of shares
Kai Nissan Motor Co., Ltd.	30

② Treasury stock, etc.

(As of September 30, 2017)

Shareholders	Addresses of shareholders	Number of shares held under own name	Number of shares held under the names of others	Total	% of interest
		Shares	Shares	Shares	%
Treasury stock: Nissan Motor Co., Ltd.	2 Takara-cho, Kanagawa-ku, Yokohama-shi, Kanagawa	29,551,000	—	29,551,000	0.70
Crossholding stock: Kochi Nissan Prince Motor Sales Co., Ltd.	2-21 Asahi-cho, Kochi-shi, Kochi	105,600	—	105,600	0.00
Kai Nissan Motor Co., Ltd.	706 Kamiimai-cho, Kofu-shi, Yamanashi	37,800	43,700	81,500	0.00
Kagawa Nissan Motor Co., Ltd.	1-1-8 Hanazono-cho, Takamatsu-shi, Kagawa	4,800	100	4,900	0.00
NDC Sales Co., Ltd.	2-39-1 Mimomi, Narashino-shi, Chiba	45,600	—	45,600	0.00
Total		29,744,800	43,800	29,788,600	0.71

Note: The shares included in “Number of shares held under the names of others” represents those held by Nissan’s crossholding share association (address: 1-1, Takashima 1-chome, Nishi-ku, Yokohama-shi, Kanagawa). (Fractional numbers under 100 have been omitted.)

2. Members of the Board of Directors and Statutory Auditors

Not applicable

#### **4. Financial Information**

1. Basis of preparation of the quarterly consolidated financial statements

The quarterly consolidated financial statements of the Company are prepared in accordance with the Ministry of Finance Ordinance No. 64, 2007 “Regulations Concerning the Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements” (“Regulations for Quarterly Consolidated Financial Statements”).

Pursuant to Article 64, Paragraph 4 and Article 83-2, Paragraph 3 of the Regulations for Quarterly Consolidated Financial Statements, the quarterly consolidated statements of income and the quarterly consolidated statements of comprehensive income are prepared.

Pursuant to Article 5-2, Paragraph 3 of the Regulations for Quarterly Consolidated Financial Statements, the quarterly consolidated statements of cash flows are prepared.

2. Quarterly review report

The quarterly consolidated financial statements for the current third quarter (from October 1, 2017 to December 31, 2017) and for the nine months ended December 31, 2017 (from April 1, 2017 to December 31, 2017) were reviewed by Ernst & Young ShinNihon LLC, pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Law.

## 1. Quarterly Consolidated Financial Statements

### (1) Quarterly consolidated balance sheets

(Millions of yen)			
	Prior Fiscal Year	Current Third Quarter	
	(As of March 31, 2017)	(As of December 31, 2017)	
<b>Assets</b>			
Current assets			
Cash on hand and in banks	1,122,484	1,120,740	
Trade notes and accounts receivable	808,981	536,603	
Sales finance receivables	7,340,636	7,883,043	
Securities	121,524	134,332	
Merchandise and finished goods	911,553	1,252,498	
Work in process	73,409	107,855	
Raw materials and supplies	288,199	352,655	
Other	903,107	1,059,262	
Allowance for doubtful accounts	(107,344)	(114,404)	
Total current assets	11,462,549	12,332,584	
Fixed assets			
Property, plant and equipment			
Buildings and structures, net	609,769	604,249	
Machinery, equipment and vehicles, net	※1 3,342,305	※1 3,534,707	
Land	599,626	600,525	
Construction in progress	177,394	173,707	
Other, net	546,127	485,702	
Total property, plant and equipment	5,275,221	5,398,890	
Intangible fixed assets	127,807	133,005	
Investments and other assets			
Investment securities	1,158,676	1,251,129	
Other	398,603	451,096	
Allowance for doubtful accounts	(1,848)	(1,308)	
Total investments and other assets	1,555,431	1,700,917	
Total fixed assets	6,958,459	7,232,812	
Total assets	18,421,008	19,565,396	

(Millions of yen)

	Prior Fiscal Year (As of March 31, 2017)	Current Third Quarter (As of December 31, 2017)
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	1,578,594	1,541,439
Short-term borrowings	980,654	1,041,617
Current portion of long-term borrowings	1,339,982	1,224,517
Commercial papers	430,019	732,839
Current portion of bonds	368,101	353,838
Lease obligations	31,565	28,371
Accrued expenses	1,112,591	1,040,376
Accrued warranty costs	110,086	112,062
Other	1,102,628	1,044,945
Total current liabilities	7,054,220	7,120,004
Long-term liabilities		
Bonds	1,493,159	2,026,178
Long-term borrowings	3,103,803	3,379,464
Lease obligations	20,398	17,107
Accrued warranty costs	128,394	125,045
Net defined benefit liability	369,346	363,079
Other	1,084,552	932,936
Total long-term liabilities	6,199,652	6,843,809
Total liabilities	13,253,872	13,963,813
Net assets		
Shareholders' equity		
Common stock	605,814	605,814
Capital surplus	817,464	816,487
Retained earnings	4,349,136	4,729,730
Treasury stock	(140,697)	(140,980)
Total shareholders' equity	5,631,717	6,011,051
Accumulated other comprehensive income		
Unrealized holding gain and loss on securities	57,778	71,246
Unrealized gain and loss from hedging instruments	7,154	10,788
Translation adjustments	(687,841)	(647,432)
Remeasurements of defined benefit plans	(133,016)	(119,978)
Other	(13,945)	(13,945)
Total accumulated other comprehensive income	(769,870)	(699,321)
Share subscription rights	391	254
Non-controlling interests	304,898	289,599
Total net assets	5,167,136	5,601,583
Total liabilities and net assets	18,421,008	19,565,396

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income  
The Nine-Month Period Ended December 31  
Quarterly consolidated statements of income

	(Millions of yen)	
	Nine Months Ended December 31, 2016 (From April 1, 2016 To December 31, 2016)	Nine Months Ended December 31, 2017 (From April 1, 2017 To December 31, 2017)
Net sales	8,264,767	8,527,992
Cost of sales	6,656,669	7,018,995
Gross profit	1,608,098	1,508,997
Selling, general and administrative expenses		
Advertising expenses	231,177	225,262
Provision for warranty costs	87,914	84,261
Other selling expenses	177,139	176,301
Salaries and wages	298,485	299,496
Provision for doubtful accounts	57,398	63,212
Other	252,744	296,230
Total selling, general and administrative expenses	1,104,857	1,144,762
Operating income	503,241	364,235
Non-operating income		
Interest income	11,972	14,625
Dividends income	7,226	6,658
Equity in earnings of affiliates	100,693	138,831
Derivative gain	61,155	1,271
Miscellaneous income	10,387	6,711
Total non-operating income	191,433	168,096
Non-operating expenses		
Interest expense	10,356	9,280
Exchange loss	79,504	11,060
Credit liquidation costs	7,493	9,410
Miscellaneous expenses	7,150	5,928
Total non-operating expenses	104,503	35,678
Ordinary income	590,171	496,653
Special gains		
Gain on sales of fixed assets	5,238	6,379
Insurance income	6,171	23
Gain on transfer of business	9,788	—
Other	589	715
Total special gains	21,786	7,117
Special losses		
Loss on sales of fixed assets	3,081	2,454
Loss on disposal of fixed assets	5,832	5,124
Loss on sales of investment securities	3,698	—
Impairment loss	3,991	4,521
Other	3,907	3,235
Total special losses	20,509	15,334
Income before income taxes	591,448	488,436
Income taxes	153,481	(101,472)
Net income	437,967	589,908
Net income attributable to non-controlling interests	23,797	11,773
Net income attributable to owners of parent	414,170	578,135

Quarterly consolidated statements of comprehensive income

	(Millions of yen)	
	Nine Months Ended December 31, 2016 (From April 1, 2016 To December 31, 2016)	Nine Months Ended December 31, 2017 (From April 1, 2017 To December 31, 2017)
Net income	437,967	589,908
Other comprehensive income		
Unrealized holding gain and loss on securities	245	14,026
Unrealized gain and loss from hedging instruments	15,670	3,739
Translation adjustments	(126,194)	16,417
Remeasurements of defined benefit plans	(26,608)	8,168
The amount for equity method company portion	(81,725)	32,332
Total other comprehensive income	(218,612)	74,682
Comprehensive income	219,355	664,590
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	203,094	648,684
Comprehensive income attributable to non-controlling interests	16,261	15,906

The Three-Month Period Ended December 31  
Quarterly consolidated statements of income

(Millions of yen)

	Prior Third Quarter (From October 1, 2016 To December 31, 2016)	Current Third Quarter (From October 1, 2017 To December 31, 2017)
Net sales	2,943,730	2,875,483
Cost of sales	2,367,187	2,393,423
Gross profit	576,543	482,060
Selling, general and administrative expenses		
Advertising expenses	80,152	84,256
Provision for warranty costs	31,683	31,043
Other selling expenses	70,136	69,223
Salaries and wages	108,001	102,553
Provision for doubtful accounts	23,266	20,393
Other	99,795	92,189
Total selling, general and administrative expenses	413,033	399,657
Operating income	163,510	82,403
Non-operating income		
Interest income	3,784	5,279
Dividends income	23	57
Equity in earnings of affiliates	26,139	44,873
Derivative gain	—	35,655
Exchange gain	16,988	—
Miscellaneous income	4,715	2,850
Total non-operating income	51,649	88,714
Non-operating expenses		
Interest expense	3,726	3,278
Derivative loss	12,689	—
Exchange loss	—	35,038
Credit liquidation costs	2,301	3,160
Miscellaneous expenses	3,107	2,521
Total non-operating expenses	21,823	43,997
Ordinary income	193,336	127,120
Special gains		
Gain on sales of fixed assets	652	3,461
Insurance income	322	12
Gain on transfer of business	9,788	—
Other	27	50
Total special gains	10,789	3,523
Special losses		
Loss on sales of fixed assets	1,239	675
Loss on disposal of fixed assets	2,436	2,006
Loss on sales of investment securities	3,698	—
Impairment loss	3,521	3,653
Other	1,700	823
Total special losses	12,594	7,157
Income before income taxes	191,531	123,486
Income taxes	51,697	(180,403)
Net income	139,834	303,889
Net income attributable to non-controlling interests	8,096	2,263
Net income attributable to owners of parent	131,738	301,626



Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Prior Third Quarter (From October 1, 2016 To December 31, 2016)	Current Third Quarter (From October 1, 2017 To December 31, 2017)
Net income	139,834	303,889
Other comprehensive income		
Unrealized holding gain and loss on securities	18,107	6,499
Unrealized gain and loss from hedging instruments	11,627	5,670
Translation adjustments	246,733	(13,855)
Remeasurements of defined benefit plans	1,605	10,539
The amount for equity method company portion	16,340	22,404
Total other comprehensive income	294,412	31,257
Comprehensive income	434,246	335,146
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	410,920	330,701
Comprehensive income attributable to non-controlling interests	23,326	4,445

## (3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Nine Months Ended December 31, 2016 (From April 1, 2016 To December 31, 2016)	Nine Months Ended December 31, 2017 (From April 1, 2017 To December 31, 2017)
<b>Cash flows from operating activities</b>		
Income before income taxes	591,448	488,436
Depreciation and amortization (for fixed assets excluding leased vehicles)	286,433	288,830
Depreciation and amortization (for long term prepaid expenses)	16,753	20,387
Depreciation and amortization (for leased vehicles)	331,708	348,793
Impairment loss	3,991	4,521
Increase (decrease) in allowance for doubtful accounts	14,918	6,311
Interest and dividends income	(19,198)	(21,283)
Interest expense	85,056	120,358
Equity in losses (earnings) of affiliates	(100,693)	(138,831)
Loss (gain) on sales of fixed assets	(2,157)	(3,925)
Loss on disposal of fixed assets	5,832	5,124
Loss (gain) on sales of investment securities	3,698	(151)
Loss (gain) on transfer of business	(9,788)	—
Decrease (increase) in trade notes and accounts receivable	59,027	292,359
Decrease (increase) in sales finance receivables	(483,158)	(451,922)
Decrease (increase) in inventories	(237,336)	(362,250)
Increase (decrease) in trade notes and accounts payable	113,501	(140,320)
Retirement benefit expenses	18,542	22,515
Payments related to net defined benefit assets and liability	(18,521)	(20,896)
Other	141,133	76,090
Subtotal	801,189	534,146
Interest and dividends received	18,033	21,726
Proceeds from dividends income from affiliates accounted for by equity method	51,061	58,279
Interest paid	(80,815)	(111,540)
Income taxes paid	(65,135)	(258,512)
Net cash provided by operating activities	724,333	244,099
<b>Cash flows from investing activities</b>		
Net decrease (increase) in short-term investments	(2,251)	3,728
Purchase of fixed assets	(353,537)	(290,461)
Proceeds from sales of fixed assets	52,000	29,507
Purchase of leased vehicles	(944,644)	(1,093,526)
Proceeds from sales of leased vehicles	370,480	474,779
Payments of long-term loans receivable	(214)	(467)
Collection of long-term loans receivable	1,958	536
Purchase of investment securities	(261,027)	(23,158)
Proceeds from sales of investment securities	—	6,435
Proceeds from (payments for) sales of subsidiaries' shares resulting in changes in the scope of consolidation	(377)	—
Net decrease (increase) in restricted cash	(5,659)	(64,659)
Proceeds from transfer of business	9,582	—
Other	(5,545)	454
Net cash used in investing activities	(1,139,234)	(956,832)

	(Millions of yen)	
	Nine Months Ended December 31, 2016 (From April 1, 2016 To December 31, 2016)	Nine Months Ended December 31, 2017 (From April 1, 2017 To December 31, 2017)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	170,451	344,995
Proceeds from long-term borrowings	1,439,348	1,188,304
Proceeds from issuance of bonds	528,161	658,007
Repayments of long-term borrowings	(987,402)	(1,074,759)
Redemption of bonds	(277,489)	(158,055)
Proceeds from non-controlling shareholders	1,275	—
Purchase of treasury stock	(277,418)	(5)
Proceeds from sales of treasury stock	73	381
Repayments of lease obligations	(18,345)	(25,325)
Cash dividends paid	(182,803)	(197,541)
Cash dividends paid to non-controlling interests	(10,646)	(15,757)
Purchase of treasury stock of subsidiaries	—	(14,273)
Net cash provided by financing activities	385,205	705,972
Effects of exchange rate changes on cash and cash equivalents	(55,356)	20,703
Increase (decrease) in cash and cash equivalents	(85,052)	13,942
Cash and cash equivalents at beginning of the period	992,095	1,241,124
Increase due to inclusion in consolidation	5,405	—
Cash and cash equivalents at end of the period	※1 912,448	※1 1,255,066

## [Notes to Quarterly Consolidated Financial Statements]

(Specific accounting policies adopted in preparing quarterly consolidated financial statements)

<p>Nine Months Ended December 31, 2017 (From April 1, 2017 To December 31, 2017)</p>
<p>(Calculation of tax expense) Income taxes are determined based on the amount of income before income taxes for the current third quarter ended December 31, 2017, multiplied by the effective tax rate, after the adoption of tax-effect accounting, estimated for the whole fiscal year ending March 31, 2018. Deferred income taxes are included in income taxes.</p>

(Additional information)

<p>Nine Months Ended December 31, 2017 (From April 1, 2017 To December 31, 2017)</p>
<p>The Tax Cuts and Jobs Act was enacted in the U.S. on December 22, 2017. Due to the Act, the federal corporate income tax rate applicable to the Company's U.S. consolidated subsidiaries was reduced from 35% to 21%. The Company has recognized the impact of the enactment of the Tax Cuts and Jobs Act as a ¥207,691 million decrease in income taxes including a remeasurement of deferred tax assets and liabilities of its U.S. consolidated subsidiaries, in the current third quarter ended December 31, 2017. As a result, net income has increased by the same amount.</p>

(For quarterly consolidated balance sheets)

1 ※1 "Machinery, equipment and vehicles, net" includes the following assets leased to others under lease agreements.

	Prior Fiscal Year (As of March 31, 2017)	Current Third Quarter (As of December 31, 2017)
(Millions of yen)		
Assets leased to others under lease agreements (lessor)	2,623,111	2,827,475

2 Guarantees and others

Prior Fiscal Year (As of March 31, 2017)

(1) Guarantees

Guarantees	Balance of liabilities guaranteed (Millions of yen)	Description of liabilities guaranteed
Employees	※39,851	Guarantees for employees' housing loans and others
13 foreign dealers	214	Guarantees for loans and others
Total	40,065	

※ Allowance for doubtful accounts is provided for these loans mainly based on past experience.

(2) Commitments to provide guarantees

Guarantees	Balance of commitments to provide guarantees (Millions of yen)	Description of liabilities guaranteed
Hibikinada Development Co., Ltd.	72	Commitments to provide guarantees for loans

Current Third Quarter (As of December 31, 2017)

(1) Guarantees

Guarantees	Balance of liabilities guaranteed (Millions of yen)	Description of liabilities guaranteed
Employees	※34,584	Guarantees for employees' housing loans and others
5 foreign dealers	49	Guarantees for loans and others
Total	34,633	

※ Allowance for doubtful accounts is provided for these loans mainly based on past experience.

(2) Commitments to provide guarantees

Guarantees	Balance of commitments to provide guarantees (Millions of yen)	Description of liabilities guaranteed
Hibikinada Development Co., Ltd.	62	Commitments to provide guarantees for loans

### 3 Contingent Liabilities

- Lawsuits related to Takata's airbag inflators

Mainly in the United States ("U.S.") and Canada various putative class action lawsuits, civil lawsuits and lawsuits by states related to Takata's airbag inflator have been filed against the Company, consolidated subsidiaries and other Original Equipment Manufacturers. The lawsuits allege that the subject airbag inflators did not function properly, and seek, among others, damages for economic losses, incurred costs, decline in the value of vehicles, and, in certain cases, personal injury as well as punitive damages. Most of the class action lawsuits in the U.S. were transferred to the U.S. District Court for the Southern District of Florida and consolidated into a multi-district litigation ("MDL"). The Company and Nissan North America, Inc. ("NNA") have agreed to a proposed settlement that would resolve the US class actions that are pending against them in the MDL, through a number of customer-focused programs. On September 18, 2017, the court in the MDL granted preliminary approval to the proposed settlement. The total payment amount for the settlement will be \$87.9 million to be paid over four years. The discounted obligation has been recorded for \$86.6 million at NNA in the current second quarter. Regarding the lawsuits other than the above, management has not recognized a provision for loss contingencies because as of the date of this report it is not possible to reasonably estimate the amount, if any, of any potential future losses because there are some uncertainties, such as these lawsuits are still in progress.

- Pending lawsuits against Nissan Motor Acceptance Corporation ("NMAC")

In May, 2017, a California jury awarded Superior Auto of Fremont, LLC, et al ("Superior") a verdict against NMAC for compensatory damages in the amount of \$121.9 million, plus punitive damages in the amount of \$134.6 million, for a total of \$ 256.5 million. On August 22, 2017 the jury award to Superior of \$256.5 million was entered into judgment. The award related to allegations of concealment and negligent misrepresentation by NMAC concerning NMAC suspending Superior's floor plan and credit lines in February 2009. Previously, NMAC won a judgment of approximately \$40 million against Superior for breach of contract. This judgment is still valid and all appeals on it have been exhausted. Assuming assessment of statutory post-judgment interest, that judgment currently totals approximately \$61 million. This amount would have been applied against any judgment that Superior received against NMAC. After the judgement was entered, NMAC filed motions for new trial and for judgment notwithstanding the verdict. On October 18, 2017, the Superior Court of California ruled in favor of NMAC, vacated the May 22, 2017 jury verdict, and granted NMAC's motion for a new trial regarding the Superior Matter on the grounds of (1) irregularity of the proceedings and (2) juror misconduct. Management does not consider the Superior Matter to be probable nor estimable at this time, therefore, Management has not recognized a provision for loss contingencies.

(For quarterly consolidated statements of cash flows)

※1 Cash and cash equivalents as of the end of the quarter are reconciled to the accounts reported in the quarterly consolidated balance sheets as follows.

(Millions of yen)

	Nine Months Ended December 31, 2016 (From April 1, 2016 To December 31, 2016)	Nine Months Ended December 31, 2017 (From April 1, 2017 To December 31, 2017)
Cash on hand and in banks	802,833	1,120,740
Time deposits with maturities of more than three months	(2,966)	(6)
Cash equivalents included in securities (*)	112,581	134,332
Cash and cash equivalents	912,448	1,255,066

\*These represent short-term, highly liquid investments readily convertible into cash.

(For net assets)

The Nine-Month Period Ended December 31, 2016 (From April 1, 2016 To December 31, 2016)

1. Dividends paid

Resolution	Type of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
Annual general meeting of the shareholders on June 22, 2016	Common stock	87,540	21	March 31, 2016	June 23, 2016	Retained earnings
Meeting of the Board of Directors on November 7, 2016	Common stock	95,263	24	September 30, 2016	November 25, 2016	Retained earnings

Note: Total dividends were obtained by deducting the amount corresponding to the equity of Renault shares held by the Company.

2. Dividends which the record date fell in the period from April 1 to December 31, 2016, and the effective date of which will be after December 31, 2016

There were no applicable items during the third quarter ended December 31, 2016.

3. Significant changes in shareholders' equity

Based on resolution at the Board of Directors meetings on June 22, September 22, and December 15, 2016, the Company retired 274 million shares of treasury stock that had been purchased during the nine months ended December 31, 2016. As a result, retained earnings and treasury stock decreased by ¥278,562 million, respectively. The total number of outstanding shares after the retirement became 4,221 million shares. As of December 31, 2016, retained earnings was ¥4,099,761 million, and treasury stock was ¥140,861 million.

The Nine-Month Period Ended December 31, 2017 (From April 1, 2017 To December 31, 2017)

1. Dividends paid

Resolution	Type of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
Annual general meeting of the shareholders on June 27, 2017	Common stock	93,883	24	March 31, 2017	June 28, 2017	Retained earnings
Meeting of the Board of Directors on November 8, 2017	Common stock	103,658	26.5	September 30, 2017	November 22, 2017	Retained earnings

Note: Total dividends were obtained by deducting the amount corresponding to the equity of Renault shares held by the Company.

2. Dividends which the record date fell in the period from April 1 to December 31, 2017, and the effective date of which will be after December 31, 2017

There were no applicable items during the third quarter ended December 31, 2017.

(Segments of an enterprise and related information)

Segment information

1. General information about reportable segments

The reportable segments of the Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the Executive Committee to make decision about resource allocation and to assess their performance.

Businesses of the Group are segmented into Automobile and Sales financing based on feature of products and services. The Automobile business includes manufacturing and sales of vehicles and parts. The Sales financing business provides sales finance service and leasing to support sales activities of the above business.

2. Calculation method of net sales and profits or losses by reportable segments

The accounting method for the reportable segments is the same as basis of preparation for the quarterly consolidated financial statements.

The segment profits are based on operating income. Inter-segment sales are based on the price in arms-lengths transactions.

3. Net sales and profits or losses by reportable segments

The Nine-Month Period Ended December 31, 2016 (From April 1, 2016 To December 31, 2016)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Nine Months Ended December 31, 2016
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	7,575,037	689,730	8,264,767	—	8,264,767
Inter-segment sales or transfers	82,301	24,759	107,060	(107,060)	—
Total	7,657,338	714,489	8,371,827	(107,060)	8,264,767
Segment profits	336,556	144,514	481,070	22,171	503,241

Prior Third Quarter (From October 1, 2016 To December 31, 2016)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Prior Third Quarter
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	2,705,530	238,200	2,943,730	—	2,943,730
Inter-segment sales or transfers	33,008	10,432	43,440	(43,440)	—
Total	2,738,538	248,632	2,987,170	(43,440)	2,943,730
Segment profits	110,519	47,364	157,883	5,627	163,510

Note 1: Quarterly consolidated financial statements by business segments

- The Sales financing segment consists of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Corporation (U.S.A.), NR Finance Mexico S.A. de C.V. SOFOM ER (Mexico), other 8 companies and the sales finance operations of Nissan Canada Inc. (Canada).
- The financial data on the Automobile & Eliminations represent the differences between the consolidated figures and those for the Sales financing segment.

(1) Summarized quarterly consolidated balance sheets by business segments

(Millions of yen)

Accounts	Prior Third Quarter (As of December 31, 2016)		
	Automobile & Eliminations	Sales financing	Consolidated total
<b>Assets</b>			
I. Current assets			
Cash on hand and in banks	747,715	55,118	802,833
Trade notes and accounts receivable	772,616	3,033	775,649
Sales finance receivables	(48,128)	7,200,757	7,152,629
Inventories	1,454,960	54,998	1,509,958
Other current assets	684,417	425,715	1,110,132
Total current assets	3,611,580	7,739,621	11,351,201
II. Fixed assets			
Property, plant and equipment	2,681,999	2,690,974	5,372,973
Investment securities	1,049,337	24,884	1,074,221
Other fixed assets	404,988	139,740	544,728
Total fixed assets	4,136,324	2,855,598	6,991,922
Total assets	7,747,904	10,595,219	18,343,123
<b>Liabilities</b>			
I. Current liabilities			
Trade notes and accounts payable	1,508,658	43,149	1,551,807
Short-term borrowings	(734,488)	4,051,601	3,317,113
Lease obligations	27,707	—	27,707
Other current liabilities	1,749,919	352,084	2,102,003
Total current liabilities	2,551,796	4,446,834	6,998,630
II. Long-term liabilities			
Bonds	375,000	1,007,272	1,382,272
Long-term borrowings	84,899	3,198,048	3,282,947
Lease obligations	19,710	5	19,715
Other long-term liabilities	860,298	894,663	1,754,961
Total long-term liabilities	1,339,907	5,099,988	6,439,895
Total liabilities	3,891,703	9,546,822	13,438,525
<b>Net assets</b>			
I. Shareholders' equity			
Common stock	432,905	172,909	605,814
Capital surplus	783,885	33,380	817,265
Retained earnings	3,267,571	832,190	4,099,761
Treasury stock	(140,861)	—	(140,861)
Total shareholders' equity	4,343,500	1,038,479	5,381,979
II. Accumulated other comprehensive income			
Translation adjustments	(753,181)	(24,327)	(777,508)
Others	(132,786)	6,967	(125,819)
Total accumulated other comprehensive income	(885,967)	(17,360)	(903,327)
III. Share subscription rights	401	—	401
IV. Non-controlling interests	398,267	27,278	425,545
Total net assets	3,856,201	1,048,397	4,904,598
Total liabilities and net assets	7,747,904	10,595,219	18,343,123

- Notes: 1. The sales finance receivables of Automobile & Eliminations represent the amount eliminated for intercompany transactions related to wholesale finance made by the Sales financing segment.
2. The borrowings of Automobile & Eliminations represent the amount after deducting internal loans receivable from the Sales financing segment amounting to ¥1,342,981 million.



## (2) Summarized quarterly consolidated statements of income by business segments

(Millions of yen)

Accounts	Nine Months Ended December 31, 2016 (From April 1, 2016 To December 31, 2016)		
	Automobile & Eliminations	Sales financing	Consolidated total
Net sales	7,550,278	714,489	8,264,767
Cost of sales	6,183,535	473,134	6,656,669
Gross profit	1,366,743	241,355	1,608,098
Operating income as a percentage of net sales	4.8%	20.2%	6.1%
Operating income	358,727	144,514	503,241
Financial income / expenses, net	8,787	55	8,842
Other non-operating income and expenses, net	79,193	(1,105)	78,088
Ordinary income	446,707	143,464	590,171
Income before income taxes	448,832	142,616	591,448
Net income attributable to owners of parent	333,051	81,119	414,170

## (3) Summarized quarterly consolidated statements of cash flows by business segments

(Millions of yen)

Accounts	Nine Months Ended December 31, 2016 (From April 1, 2016 To December 31, 2016)		
	Automobile & Eliminations	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income before income taxes	448,832	142,616	591,448
Depreciation and amortization	292,574	342,320	634,894
Decrease (increase) in sales finance receivables	42,043	(525,201)	(483,158)
Others	(70,029)	51,178	(18,851)
Net cash provided by operating activities	713,420	10,913	724,333
II. Cash flows from investing activities			
Purchase of investment securities	(261,027)	—	(261,027)
Purchase of fixed assets	(301,016)	(52,521)	(353,537)
Proceeds from sales of fixed assets	15,274	36,726	52,000
Purchase of leased vehicles	(335)	(944,309)	(944,644)
Proceeds from sales of leased vehicles	15	370,465	370,480
Others	(186)	(2,320)	(2,506)
Net cash used in investing activities	(547,275)	(591,959)	(1,139,234)
III. Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	206,502	(36,051)	170,451
Net change in long-term borrowings and redemption of bonds	(50,194)	224,651	174,457
Proceeds from issuance of bonds	125,000	403,161	528,161
Purchase of treasury stock	(277,418)	—	(277,418)
Others	(215,083)	4,637	(210,446)
Net cash provided by (used in) financing activities	(211,193)	596,398	385,205
IV. Effects of exchange rate changes on cash and cash equivalents	(52,635)	(2,721)	(55,356)
V. Increase (decrease) in cash and cash equivalents	(97,683)	12,631	(85,052)
VI. Cash and cash equivalents at the beginning of the period	944,212	47,883	992,095
VII. Increase due to inclusion in consolidation	5,405	—	5,405
VIII. Cash and cash equivalents at the end of the period	851,934	60,514	912,448

Notes: 1. The net increase (decrease) in short-term borrowings of Automobile & Eliminations includes the amount of ¥133,474 million eliminated for net decrease in internal loans receivable from the Sales financing segment.

2. The net change in long-term borrowings and redemption of bonds of Automobile & Eliminations includes the amount of ¥53,102 million eliminated for net decrease in internal loans receivable from the Sales financing segment.

Note 2: Net sales and profits or losses by region

The Nine-Month Period Ended December 31, 2016 (From April 1, 2016 To December 31, 2016)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	1,478,587	4,226,962	1,108,762	728,612	721,844	8,264,767	—	8,264,767
(2) Inter-segment sales	1,853,868	314,099	234,964	438,855	10,254	2,852,040	(2,852,040)	—
Total	3,332,455	4,541,061	1,343,726	1,167,467	732,098	11,116,807	(2,852,040)	8,264,767
Operating income	298,664	169,704	1,326	53,336	660	523,690	(20,449)	503,241

Prior Third Quarter (From October 1, 2016 To December 31, 2016)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	551,569	1,502,372	384,519	245,448	259,822	2,943,730	—	2,943,730
(2) Inter-segment sales	738,964	106,779	91,458	160,762	4,306	1,102,269	(1,102,269)	—
Total	1,290,533	1,609,151	475,977	406,210	264,128	4,045,999	(1,102,269)	2,943,730
Operating income (loss)	145,411	26,904	(8,449)	17,527	(1,512)	179,881	(16,371)	163,510

Notes: 1. Regions represent the location of the Company and its group companies.

2. Areas are segmented based on their geographical proximity and their mutual operational relationship.

3. Major countries and areas which belong to segments other than Japan are as follows:

- (1) North America : The United States of America, Canada and Mexico
- (2) Europe : France, The United Kingdom, Spain, Russia and other European countries
- (3) Asia : China, Thailand, India and other Asian countries
- (4) Other overseas countries : Oceania, Middle East, Central and South America excluding Mexico and South Africa

The Nine-Month Period Ended December 31, 2017 (From April 1, 2017 To December 31, 2017)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Nine Months Ended December 31, 2017
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	7,705,909	822,083	8,527,992	—	8,527,992
Inter-segment sales or transfers	126,848	36,104	162,952	(162,952)	—
Total	7,832,757	858,187	8,690,944	(162,952)	8,527,992
Segment profits	178,647	165,655	344,302	19,933	364,235

Current Third Quarter (From October 1, 2017 To December 31, 2017)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Current Third Quarter
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	2,593,082	282,401	2,875,483	—	2,875,483
Inter-segment sales or transfers	55,275	13,329	68,604	(68,604)	—
Total	2,648,357	295,730	2,944,087	(68,604)	2,875,483
Segment profits	24,313	54,427	78,740	3,663	82,403

Note 1: Quarterly consolidated financial statements by business segments

- The Sales financing segment consists of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Corporation (U.S.A.), NR Finance Mexico S.A. de C.V. SOFOM ER (Mexico), other 8 companies and the sales finance operations of Nissan Canada Inc. (Canada).
- The financial data on the Automobile & Eliminations represent the differences between the consolidated figures and those for the Sales financing segment.

(1) Summarized quarterly consolidated balance sheets by business segments

(Millions of yen)

Accounts	Current Third Quarter (As of December 31, 2017)		
	Automobile & Eliminations	Sales financing	Consolidated total
<b>Assets</b>			
I. Current assets			
Cash on hand and in banks	1,062,801	57,939	1,120,740
Trade notes and accounts receivable	534,715	1,888	536,603
Sales finance receivables	(93,033)	7,976,076	7,883,043
Inventories	1,657,362	55,646	1,713,008
Other current assets	665,659	413,531	1,079,190
Total current assets	3,827,504	8,505,080	12,332,584
II. Fixed assets			
Property, plant and equipment	2,598,926	2,799,964	5,398,890
Investment securities	1,234,529	16,600	1,251,129
Other fixed assets	446,794	135,999	582,793
Total fixed assets	4,280,249	2,952,563	7,232,812
Total assets	8,107,753	11,457,643	19,565,396
<b>Liabilities</b>			
I. Current liabilities			
Trade notes and accounts payable	1,489,183	52,256	1,541,439
Short-term borrowings	(318,105)	3,670,916	3,352,811
Lease obligations	28,371	—	28,371
Other current liabilities	1,725,989	471,394	2,197,383
Total current liabilities	2,925,438	4,194,566	7,120,004
II. Long-term liabilities			
Bonds	275,000	1,751,178	2,026,178
Long-term borrowings	(128,523)	3,507,987	3,379,464
Lease obligations	17,099	8	17,107
Other long-term liabilities	826,044	595,016	1,421,060
Total long-term liabilities	989,620	5,854,189	6,843,809
Total liabilities	3,915,058	10,048,755	13,963,813
<b>Net assets</b>			
I. Shareholders' equity			
Common stock	432,905	172,909	605,814
Capital surplus	783,107	33,380	816,487
Retained earnings	3,541,433	1,188,297	4,729,730
Treasury stock	(140,980)	—	(140,980)
Total shareholders' equity	4,616,465	1,394,586	6,011,051
II. Accumulated other comprehensive income			
Translation adjustments	(613,946)	(33,486)	(647,432)
Others	(60,682)	8,793	(51,889)
Total accumulated other comprehensive income	(674,628)	(24,693)	(699,321)
III. Share subscription rights	254	—	254
IV. Non-controlling interests	250,604	38,995	289,599
Total net assets	4,192,695	1,408,888	5,601,583
Total liabilities and net assets	8,107,753	11,457,643	19,565,396

Notes: 1. The sales finance receivables of Automobile & Eliminations represent the amount eliminated for intercompany transactions related to wholesale finance made by the Sales financing segment.

2. The borrowings of Automobile & Eliminations represent the amount after deducting internal loans receivable from the Sales financing segment amounting to ¥975,418 million.

## (2) Summarized quarterly consolidated statements of income by business segments

(Millions of yen)

Accounts	Nine Months Ended December 31, 2017 (From April 1, 2017 To December 31, 2017)		
	Automobile & Eliminations	Sales financing	Consolidated total
Net sales	7,669,805	858,187	8,527,992
Cost of sales	6,440,909	578,086	7,018,995
Gross profit	1,228,896	280,101	1,508,997
Operating income as a percentage of net sales	2.6%	19.3%	4.3%
Operating income	198,580	165,655	364,235
Financial income / expenses, net	11,910	93	12,003
Other non-operating income and expenses, net	115,290	5,125	120,415
Ordinary income	325,780	170,873	496,653
Income before income taxes	322,466	165,970	488,436
Net income attributable to owners of parent	203,795	374,340	578,135

## (3) Summarized quarterly consolidated statements of cash flows by business segments

(Millions of yen)

Accounts	Nine Months Ended December 31, 2017 (From April 1, 2017 To December 31, 2017)		
	Automobile & Eliminations	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income before income taxes	322,466	165,970	488,436
Depreciation and amortization	272,226	385,784	658,010
Decrease (increase) in sales finance receivables	84,989	(536,911)	(451,922)
Others	(505,633)	55,208	(450,425)
Net cash provided by operating activities	174,048	70,051	244,099
II. Cash flows from investing activities			
Purchase of investment securities	(23,158)	—	(23,158)
Purchase of fixed assets	(274,793)	(15,668)	(290,461)
Proceeds from sales of fixed assets	13,255	16,252	29,507
Purchase of leased vehicles	(79)	(1,093,447)	(1,093,526)
Proceeds from sales of leased vehicles	7	474,772	474,779
Others	10,414	(64,387)	(53,973)
Net cash used in investing activities	(274,354)	(682,478)	(956,832)
III. Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	314,219	30,776	344,995
Net change in long-term borrowings and redemption of bonds	19,751	(64,261)	(44,510)
Proceeds from issuance of bonds	—	658,007	658,007
Purchase of treasury stock	(5)	—	(5)
Others	(252,510)	(5)	(252,515)
Net cash provided by financing activities	81,455	624,517	705,972
IV. Effects of exchange rate changes on cash and cash equivalents	19,498	1,205	20,703
V. Increase (decrease) in cash and cash equivalents	647	13,295	13,942
VI. Cash and cash equivalents at the beginning of the period	1,189,975	51,149	1,241,124
VII. Increase due to inclusion in consolidation	—	—	—
VIII. Cash and cash equivalents at the end of the period	1,190,622	64,444	1,255,066

Notes: 1. The net increase (decrease) in short-term borrowings of Automobile & Eliminations includes the amount of ¥180,599 million eliminated for net decrease in internal loans receivable from the Sales financing segment.

2. The net change in long-term borrowings and redemption of bonds of Automobile & Eliminations includes the amount of ¥164,361 million eliminated for net decrease in internal loans receivable from the Sales financing segment.

Note 2: Net sales and profits or losses by region

The Nine-Month Period Ended December 31, 2017 (From April 1, 2017 To December 31, 2017)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	1,517,653	4,351,118	1,225,084	746,231	687,906	8,527,992	—	8,527,992
(2) Inter-segment sales	1,916,985	328,138	236,941	401,190	10,175	2,893,429	(2,893,429)	—
Total	3,434,638	4,679,256	1,462,025	1,147,421	698,081	11,421,421	(2,893,429)	8,527,992
Operating income (loss)	231,045	99,646	(3,256)	42,662	(11,149)	358,948	5,287	364,235

Current Third Quarter (From October 1, 2017 To December 31, 2017)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	450,168	1,460,725	440,557	267,185	256,848	2,875,483	—	2,875,483
(2) Inter-segment sales	654,524	112,745	86,942	139,576	3,658	997,445	(997,445)	—
Total	1,104,692	1,573,470	527,499	406,761	260,506	3,872,928	(997,445)	2,875,483
Operating income (loss)	48,619	16,871	1,957	14,331	(3,300)	78,478	3,925	82,403

Notes: 1. Regions represent the location of the Company and its group companies.

2. Areas are segmented based on their geographical proximity and their mutual operational relationship.

3. Major countries and areas which belong to segments other than Japan are as follows:

- (1) North America : The United States of America, Canada and Mexico
- (2) Europe : France, The United Kingdom, Spain, Russia and other European countries
- (3) Asia : China, Thailand, India and other Asian countries
- (4) Other overseas countries : Oceania, Middle East, Central and South America excluding Mexico and South Africa

4. Information about the impairment loss on fixed assets by reportable segments

The Nine-Month Period Ended December 31, 2016 (From April 1, 2016 To December 31, 2016)

There were no significant impairment losses on fixed assets in the reportable segments for the nine months ended December 31, 2016.

The Nine-Month Period Ended December 31, 2017 (From April 1, 2017 To December 31, 2017)

There were no significant impairment losses on fixed assets in the reportable segments for the nine months ended December 31, 2017.

5. Information about goodwill by reportable segments

The Nine-Month Period Ended December 31, 2016 (From April 1, 2016 To December 31, 2016)

There were no significant changes in the reported amounts of goodwill in the reportable segments for the nine months ended December 31, 2016.

The Nine-Month Period Ended December 31, 2017 (From April 1, 2017 To December 31, 2017)

There were no significant changes in the reported amounts of goodwill in the reportable segments for the nine months ended December 31, 2017.

6. Information about the gain recognized on negative goodwill by reportable segments

The Nine-Month Period Ended December 31, 2016 (From April 1, 2016 To December 31, 2016)

There were no significant gains recognized on negative goodwill in the reportable segments for the nine months ended December 31, 2016.

The Nine-Month Period Ended December 31, 2017 (From April 1, 2017 To December 31, 2017)

There were no significant gains recognized on negative goodwill in the reportable segments for the nine months ended December 31, 2017.

## 7. Information about geographical area

### Net sales

The Nine-Month Period Ended December 31, 2016 (From April 1, 2016 To December 31, 2016)  
(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,213,412	4,152,915	3,416,506	1,153,102	927,170	818,168	8,264,767

Prior Third Quarter (From October 1, 2016 To December 31, 2016)  
(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
456,135	1,476,316	1,221,301	400,555	316,909	293,815	2,943,730

Notes: 1. Regions represent customers' location.

2. Areas are segmented based on their geographical proximity and their mutual operational relationship.

3. Major countries and areas which belong to segments other than Japan are as follows:

- (1) North America : The United States of America, Canada and Mexico
- (2) Europe : France, The United Kingdom, Spain, Russia and other European countries
- (3) Asia : China, Thailand, India and other Asian countries
- (4) Other overseas countries : Oceania, Middle East, Central and South America excluding Mexico, South Africa, etc.

The Nine-Month Period Ended December 31, 2017 (From April 1, 2017 To December 31, 2017)  
(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,253,013	4,251,133	3,421,202	1,269,266	961,635	792,945	8,527,992

Current Third Quarter (From October 1, 2017 To December 31, 2017)  
(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
364,495	1,423,511	1,155,052	454,286	336,770	296,421	2,875,483

Notes: 1. Regions represent customers' location.

2. Areas are segmented based on their geographical proximity and their mutual operational relationship.

3. Major countries and areas which belong to segments other than Japan are as follows:

- (1) North America : The United States of America, Canada and Mexico
- (2) Europe : France, The United Kingdom, Spain, Russia and other European countries
- (3) Asia : China, Thailand, India and other Asian countries
- (4) Other overseas countries : Oceania, Middle East, Central and South America excluding Mexico, South Africa, etc.



(Amounts per share)

Basic earnings per share, diluted earnings per share and the basis for calculation thereof are as follows.

	Nine Months Ended December 31, 2016 (From April 1, 2016 To December 31, 2016)	Nine Months Ended December 31, 2017 (From April 1, 2017 To December 31, 2017)
(1) Basic earnings per share	¥102.92	¥147.81
(Basis for calculation)		
Net income attributable to owners of parent (Millions of yen)	414,170	578,135
Net income attributable to owners of parent relating to common stock (Millions of yen)	414,170	578,135
Average number of shares of common stock during the period (Thousands of shares)	4,024,384	3,911,379
(2) Diluted earnings per share	¥102.91	¥147.80
(Basis for calculation)		
Adjustment in net income attributable to owners of parent (Millions of yen)	—	—
Increase in shares of common stock (Thousands of shares)	99	161
Any significant changes from the prior fiscal year- end in potential securities excluded from the computation of diluted earnings per share because they do not have dilutive effects	—	—

(Significant subsequent events)

Not applicable

## 2. Other

Interim dividends for the fiscal year ending March 31, 2018 were approved on November 8, 2017 by resolution of the meeting of the Board of Directors as follows:

According to its Articles of Incorporation, the Company paid the following cash dividends to shareholders of record on September 30, 2017.

(1) Total interim dividends:	¥103,658 million
(2) Dividends per share:	¥26.5
(3) Entitlement date and commencement date of the payment	November 22, 2017

Note: Total dividends were obtained by deducting the amount corresponding to the equity of Renault shares held by the Company. Total amount of dividends before deducting the amount corresponding to the equity of Renault shares held by the Company was ¥111,066 million.

## **Part II Information on Guarantors for the Company**

Not applicable

(For Translation Purposes Only)

## Independent Auditor's Quarterly Review Report

February 9, 2018

The Board of Directors  
Nissan Motor Co., Ltd.

Ernst & Young ShinNihon LLC

Designated and Engagement Partner Certified Public Accountant	Yoji Murohashi
Designated and Engagement Partner Certified Public Accountant	Takeshi Hori
Designated and Engagement Partner Certified Public Accountant	Koji Fujima
Designated and Engagement Partner Certified Public Accountant	Masayuki Nakamura

Pursuant to Article 193-2, Section 1 of the Financial Instruments and Exchange Law of Japan, we have reviewed the accompanying quarterly consolidated financial statements of Nissan Motor Co., Ltd. (the "Company") and its consolidated subsidiaries, which comprise the quarterly consolidated balance sheet as of December 31, 2017, the quarterly consolidated statements of income, quarterly consolidated statements of comprehensive income for the three-month and nine-month periods then ended, quarterly consolidated statement of cash flows for the nine-month period then ended, and the related notes included in "Financial Information".

### Management's Responsibility for the Quarterly Consolidated Financial Statements

The Company's management is responsible for the preparation and fair presentation of these quarterly consolidated financial statements in conformity with the accounting principles for quarterly consolidated financial statements generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion independently on these quarterly consolidated financial statements based on our review. We conducted our review in accordance with the review standards for quarterly financial statements generally accepted in Japan.

A review of quarterly consolidated financial statements consists of making inquiries, primarily of management and persons responsible for financial and accounting matters, and applying analytical and other quarterly review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying quarterly consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Nissan Motor Co., Ltd. and its consolidated subsidiaries at December 31, 2017, and the consolidated results of their operations for the three-month and nine-month periods then ended and their cash flows for the nine-month period then ended in conformity with the accounting principles for quarterly consolidated financial statements generally accepted in Japan.

### Other Matter

We have no interest in the Company which should be disclosed in compliance with the Japanese Certified Public Accountants Law.

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### Notes:

1. The above is a digitization of the text contained in the original copy of the Quarterly Review Report of Independent Auditors, which is in the custody of the Company—the submitter of this quarterly securities report.
2. The XBRL data is not included in the scope of Quarterly Review.

**【Cover】**

**【Document Submitted】** Confirmation Note

**【Article of the Applicable Law Requiring Submission of This Document】** Article 24-4-8, Paragraph 1 of the Financial Instruments and Exchange Law

**【Filed to】** Director, Kanto Local Finance Bureau

**【Date of Submission】** February 13, 2018

**【Company Name】** Nissan Jidosha Kabushiki-Kaisha

**【Company Name (in English)】** Nissan Motor Co., Ltd.

**【Position and Name of Representative】** Hiroto Saikawa, President

**【Position and Name of Chief Financial Officer】** Joseph G. Peter, Chief Financial Officer

**【Location of Head Office】** 2, Takaracho, Kanagawa-ku, Yokohama-shi, Kanagawa

**【Place Where Available for Public Inspection】** Tokyo Stock Exchange, Inc.  
2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo

## **1. Accuracy of the Descriptions in This Quarterly Securities Report**

Hiroto Saikawa, President of Nissan Motor Co., Ltd., and Joseph G. Peter, Chief Financial Officer have confirmed that this Quarterly Securities Report “Shihanki-Houkokusho” for the third quarter (from October 1, 2017 to December 31, 2017) of the 119th Fiscal Term is reasonably and fairly described in accordance with the Financial Instruments and Exchange Law.

## **2. Special Affairs**

There are no noteworthy matters that are pertinent to this quarterly securities report.